AMENDMENT BY REPLACEMENT SECTION

Replace the section of the specification entitled "Detailed Description of the Invention" with the following text.

DETAILED DESCRIPTION OF THE INVENTION

The present invention pertains to a business method for utilizing various forms of payment mechanisms for business or consumer transactions, including but not limited to the purchase of goods and services through various electronic media, hereinafter termed the Internet. Electronic media may include, but is not limited to the Internet, telephone, radio, cable (such as cable TV) or digital and satellite communication systems. Although this invention is not limited to the Internet, all methods of electronic transmission will be referred to herein as the Internet. More specifically, it pertains to a systematic and comprehensive method of dispensing cards or other tangible medium that represents a prepaid monetary account that may be accessed only through the use of the card (hereinafter termed "prepaid card", "Virtual Cashier card" or "V-C card"). The account can not be accessed except by conveying the card or card identifier specific to that account. This prepaid card system can also allow a merchant or service provider to directly verify with the entity holding or possessing access to the money within the account represented by the V-C card that payment for any good or service will be made.

The prospective purchaser can access the Internet by conventional means or through a stand-alone device also claimed as part of the present invention. Through the Internet, the prospective purchaser (hereinafter "purchaser") accesses the Virtual Cashier Web Portal ("Internet portal") subject of the invention. The Internet portal can include an Internet website containing categorized links to participating merchant websites accepting payment by V-C Cards or similar prepaid cards as forms of electronic payment so that a purchaser can readily locating locate merchants accepting this type of payment. Figure 1A illustrates payment options that may be available to the purchaser via this Internet portal. It will be readily appreciated that the use of the "Virtual Cashier Stand-Alone Interface Device 105 (or "Internet terminal") will allow the purchaser 101 to utilize multiple payment mechanisms, including direct deposit of cash currency 102, credit cards 104 or the Virtual Cashier Card ("prepaid card") 103.

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Alternatively, the purchaser may utilize conventional electronic payment mechanisms, as well as the prepaid cards, though the "Virtual Cashier Web-Portal Access" 106 (Internet portal) from a personal computer connected to the Internet. It will also be appreciated after reading the description of this invention that the various options 107, 108, 109 and 110 are only limited examples of activities that can be undertaken utilizing a prepaid card with the Internet portal.

Figure 1B illustrates the interrelationship between various components that can be incorporated into the subject invention. <u>Figure 1B also illustrates the interface of information in one embodiment of the invention.</u> The Virtual Cashier Internal Processing 121 is a function performed by the Internet portal operator. This includes the accounting of various prepaid accounts, matching the accounts with PIN numbers or prepaid card numbers ("prepaid card identifiers") as part of V-C Card validation, processing payments to merchants from separate prepaid accounts, computing and withholding transaction fees, etc. This relationship can also include maintaining actual Internet terminals ~~105~~ 106 that may be accessible to the public or to individuals, an Internet Service Provider (ISP) <u>or wireless access</u> 122, as well as the liaison and marketing to both merchants 124 and purchasers ~~125~~ 123. Note also that the invention incorporates any form of distribution and vending of prepaid cards ~~126~~ 125.

As discussed, one feature of the invention is Virtual Cashier Interface Devices (Internet terminals) 105 <u>that</u> could be placed in locations such as libraries, transportation terminals, coffee shop, bars, etc., thereby bringing instant access to Internet services to people away from their personal computers. In this manner, the Virtual Cashier Interface Device may resemble a public telephone or ATM. However, as will be appreciated after thorough understanding of this description, the subject invention includes security features not contained in other devices.

Figure 2A and Figure 2B illustrate embodiments of the <u>information</u> process steps included in the instant invention. Note that the purchaser begins by accessing the Internet, either via a personal computer as in Figure 2A or a stand alone Virtual Cashier Interface Device ~~105~~ 106 in Figure 2B and used to access the Virtual Cashier Web

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Portal Assess 106 ("Internet portal" or "Web Portal"). Alternative steps or embodiments of the process may include the following:

    1. Purchaser accesses the Internet via computer or Virtual Cashier Interface Device;

    2. Purchaser logs on to the Internet page or website of the Virtual Cashier Web Page (Web Portal),

    3. Consumer selects activities from menu;

        (Option: If Consumer selects icon or menu button for goods and services, the Consumer can elect to proceed to a to a specific merchant site **204** or selected Virtual Cashier page containing identified group of goods or services.)

    4. Quantity and availability of identified goods are confirmed (at either the Virtual Cashier Web Portal or via specific merchant website) ~~204~~ **205**.

    5. Price is confirmed.

    6. Consumer selects method of payment.

    7. Virtual Cashier Web Portal, either directly with Consumer or through a separate link with the merchant's web site, verifies receipt of payment and credits merchant account

    8. User gives instructions for delivery of goods or services **213**.

    9. User receives confirmation of transaction (confirmation number or printed receipt) **215**.

If the Consumer selects an alternate option, e.g., gaming, movie or similar activity available on a time charge or toll basis, payment can be made via the several options, including VC cards ("pre-paid cards"), credit cards, or cash. Note that these payment methods and the Virtual Cashier Web Portal may also be utilized via other mechanisms that provide Internet access, including portable mechanisms such as hand held computing devices, digital and cellular phones, pagers or similar devices. It is also contemplated that terminals can be captive of only selected sites, such as the Web Portal, perhaps combined with general information sites such as news and weather.

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In the example illustrated in Figure 2A the consumer begins by accessing the web portal 106 and selecting "shopping" option 202. The consumer identifies goods/services/merchants from link in the directory 203. The consumer links to the desired Merchant site 204 and the consumer selects an item or service to purchase 205. The virtual cashier payment option is offered 206 with a link to the virtual cashier payment processing area 207. The consumer is prompted to enter a card number 208. A profile option-purchase security challenge may be prompted 209 and a database queried and information verified 210. A query of whether there sufficient balance for purchase? 211. If yes, the purchase is authorized 212. If no, the authorization is declined 222 and the user is prompted to increase the balance 223. If the user elects to increase the balance, the consumer is forwarded to the increase balance screen of web portal 224. The consumer returns with sufficiently increased balance amount 225 and the purchase is authorized 212 and the shipping information captured 213. The database is next updated to reflect the purchase 214 and confirmation received and option to email receipt presented 215. The transaction concludes with the data and user returned to the merchant website 216. Similarly, if the consumer elects not to increase the balance 223 after authorization declined, the user is returned to the merchant website 216.

The transaction illustrated in Figure 2B commences with the user at a web portal device user interface 105. Other steps are as described in Figure 2A. The transaction also illustrates the consumer being prompted regarding use of a VC card 207B. If the consumer does not have a card, the consumer is given the option to purchase a card with cash. If electing to purchase a card, the consumer inserts the cash into the machine 260 and receives a printout of electronic card number and temporary PIN number 261. The consumer is queried whether a permanent card is desired 262 and if yes, mailing information is captured 263. If the consumer possessed a card 207B, acquired a temporary card 262 or elected to furnish mailing information necessary to acquire a permanent card 263, the consumer is prompted to insert the card into the machine or enter the card number 208. As in the example illustrated in Figure 2A, the

next step is a security challenge 209. The database queried and the information is verified 210. Shipping information is then captured 213.

Figure 2B also illustrates optional security checks that may be particularly useful when conventional credit or debit cards are utilized 274 and 275. The next step is the query whether there is sufficient balance for the purchase 211B. If no, the consumer is prompted to insert cash into the machine 223B and the purchase may then be authorized 212. If there is a sufficient balance, the transaction proceeds directly to the authorization step 212. The databases are next updated to reflect the purchase and confirmation receipt printed and the data and user are returned to the merchant website.

It will further be appreciated that the sequence of steps set forth in Figures 2A and 2B are for illustration only and are not limitations of the invention.

Figures 3 and 4 illustrate some of the options available to the Consumer via the Virtual Cashier Portal Access site 106 subject of this invention. Figure 5 illustrates the information and activity options available to Merchants participating in the Virtual Cashier Web Portal 106. Note Figure 6 illustrates a more limited range of options that may be available to the Merchant via the Wireless Merchant Access Services 122. The method is further illustrated in Figures 7 through 10. Figures 7 through 10 illustrate alternative payment mechanisms.

Figure 7 illustrates a check approval process. The transaction begins with the merchant selecting merchant services option from a wireless device 701. The Virtual Cashier wireless portal is accessed 106 and the merchant is prompted to enter merchant card or identifier number 703. A security challenge is issued to the merchant 704 and the database queried and information verified 705. The merchant is offered payment options for selection 706 and the payment option selected "check" 707. The merchant is then prompted to enter coded numbers at bottom of check 708. The amount of payment is requested (and may optionally include the invoice number) 709. The request is sent to a third party authorization center 710. A purchase approval determination is made 711. If approved, a confirmation number is issued and may reflect an option to email receipt to merchant cardholder 712. The merchant is then

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returned to the main screen 713. If the purchase is not approved, the merchant is returned to payment option screen for alternative selections 714.

Figure 8 illustrates a similar merchant transaction wherein payment is by credit card. Steps 701 through 706 are the same as illustrated in Figure 7. At the payment option screen, the credit card payment option is selected 727 and the merchant is prompted to insert the card into the machine or enter a card number 728. The amount of payment is requested (with optional invoice number) 709 and the request is sent to a third party authorization center 710 for purchase approval 711. As in Figure 7, if approved, a confirmation number is issued and may reflect an option to email receipt to merchant cardholder 712. The merchant is then returned to the main screen 713. If the purchase is not approved, the merchant is returned to payment option screen for alternative selections 714.

Figure 9 illustrates a merchant transaction wherein payment is by debit card. Steps 701 through 706 are the same as illustrated in Figures 7 and 8. At the payment option screen, ATM/debit card is selected 747 and the merchant is prompted to insert the debit card into the machine or enter the card number and purchase amount 748. As in Figures 7 and 8, an authorization request is sent to a third party authorization center 710 and a determination is made whether there is a sufficient balance for the intended purchase 711A. If the purchase is authorized, the database may be updated to reflect the purchase 740 and as in Figures 7 and 8, a confirmation number is issued and may reflect an option to email receipt to merchant cardholder 712. The merchant is then returned to the main screen 713. If the purchase is declined, the merchant is returned to payment option screen for alternative selections 714.

Figure 10 illustrates a merchant transaction wherein payment is by a virtual cashier card. Again, steps 701 through 706 are the same as in the previous figures. At the payment option screen, virtual cashier card is selected 767 and the merchant is prompted to insert the card into the machine or enter the card number and purchase amount 768. Amount of payment is requested with optional invoice number 769. A security challenge is prompted 709. A determination is made whether there is a sufficient balance for the intended purchase 711B. If the purchase is authorized 711Y,

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the database may be updated to reflect the purchase **740** and a confirmation number is issued and may reflect an option to email receipt to cardholder **712**. The merchant is then returned to the main screen **713**. If the purchase is declined **711N**, the merchant is returned to payment option screen for alternative selections **714**.

Figures 11 through 13 provide expanded explanation of process steps that may be utilized in a Consumer or Merchant transaction. Figure 11 illustrates the processing of information for account reporting. Figure 12 and 13 illustrate the processing of information for functions selected by a consumer utilizing the invention. Note for example that Figure 13, Consumer Card Balance Increases **223**, is a step contained within the embodiment of the invention illustrated in 2A **223** and 2B **223B**. Also illustrated in Figure 13 is an optional security challenge **224.1** with subsequent steps of error detection **224.2** and error handling **224.3**. Additionally illustrated are the steps of payment option selection **207**, online third party payment authorization **212** error handling, confirmation acknowledgement **215** database update **214** auto refresh balance, and return to portal menu **225**.

Figures 14, 15 and 17 illustrate an embodiment of the invention that may be utilized to electronically transfer money ("Buddy Money"), either by deposits of cash or prepaid cards ("V-C cards"). Note that this allows the transfer of payment or money without disclosure of banking or similar financial information. Figure 14 commences with accessing a Portal **106** and selecting "Balance Transfer" from menu options. The method may optionally include a security challenge, including error detection and error handling. The user can first obtain via the Internet information regarding an existing prepaid account balance. This can be information from a third party source from the portal operator. The balance can be reported to the user. The user can request transfer of funds from the account and the request is confirmed. Fund transfer authorization is communicated to the third party card merchant and acknowledged. The data base is updated, including account balance information.

Figure 15 again illustrates the process starting from the Internet Portal. The user selects "Receive Cash Exchange" from the menu and the form of payment is selected "Receive Cash". There may be an optional security challenge. The cash pickup may

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be at a separate location that notifies the user it is ready to receive the cash. The portal dispenses the cash for "pick up" and the dispensing is confirmed. The value of the cash received is transferred to the recipients prepaid card balance. The data base is refreshed and the sender (user) of the cash receives confirmation of the "pickup".

Figure 17 illustrates the counter part transaction accompanying the example illustrated in Figure 15. The transaction again commences at an Internet Portal and the user selects "Send Cash Exchange". The form selected is "Send Cash". The database is searched and the intended recipient, located at a separate portal, is notified. The sender receives acknowledgement of the notice being sent. The Sender's balance is refreshed and the user taken back to the initial Portal Menu.

The invention also includes alternate embodiments of the Virtual Cashier Interface Device that allows a purchaser to have access to the Internet or a selected subset of sites or specialized websites. The apparatus may be located in public places such as airline terminals, shopping malls, hotel rooms and lobbies, office buildings, eating and drinking establishments, airplanes, commuter trains, or similar locations.

The apparatus may consist of a video screen, a CPU, computer modem, cable connection, satellite or digital connection, DSL connection, T-1 connection or other means that allow messages to be transmitted to and from the user via the Internet. In a preferred embodiment, the apparatus also contains a keyboard, a mouse or mouse button, any other type of device that allows the user to (move icons or cursors to be moved about on) interact with the computer screen. In other embodiments, the apparatus utilizes a touch screen that is activated by touch or light. The apparatus may also have the capability to provide information audibly and respond to audible commands.

The apparatus may also have a mechanism to accept and recognize paper currency or coins, compute the value of the coins and currency inserted into the apparatus and transmit this information via the Internet. It will be readily appreciated after acquiring a thorough understanding of the invention that this can include transfers of money to the Virtual Cashier Wireless Portal Access (Internet portal website). Figure

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1A illustrates one aspect of this embodiment. This embodiment also facilitates increasing the prepaid account in Figures 2A, **223** and 2B **223B**.

The apparatus may also have a mechanism to allow information contained in bar codes scanned into the machine and the information read and transmitted over the Internet,

The apparatus may also have the ability to read electronically encoded or encrypted information such as information contained within magnetic strips, or microchips. The apparatus may also have the capability to send and receive messages in an encrypted manner. The apparatus may also have the ability to take photos of the user, either by videotape, digital camera or other means. The apparatus may also have the ability to record and recognize or verify fingerprints, thumb prints, handprints, or retinal scans and to identify the user with such information.

In one embodiment, the Virtual Cashier Stand Alone Device may consist of Portal Machines resembling current touch screen gaming machines having the following features:

1. Video Display monitor
2. Means to receive instructions from the user by one or more of the following:
   touching the screen
   computer mouse
   touch pad,
   smart button,
   light pen
   key board.
3. CPU
4. Internet connection (Modum, DSL, T-1 or T-3)
5. Device for reading magnetically encoded information on credit cards, debit cards, or prepaid cards such as the I-Card or V-C card.
6. Device for receiving and accepting cash currency (including determining the denomination of the currency deposited and crediting the user with that value.

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    The cash consumers will be provided a "virtual" V-C Card number to use and a service fee will be assessed to the consumer (similar to an ATM fee) with the patron establishments or machine owners (see note below) receiving a portion of such fees.

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